

**GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA**

UNSTARRED QUESTION NO:6005
ANSWERED ON:31.08.2001
HFCL PARTICIPATION IN DISINVESTMENT PROCESS
DR. KIRIT SOMAIYA

Will the Minister of DISINVESTMENT be pleased to state:

- (a) whether Department of Disinvestment has taken a note SEBI's preliminary investigation on present capital market scam;
- (b) whether the department had contacted SEBI and other investigating agencies;
- (c) whether one of the companies acting in Disinvestment participation i.e. HFCL has been named in the investigation;
- (d) whether Department of Disinvestment will allow HFCL to participate in disinvestment process;
- (e) if so, the reasons therefor;
- (f) whether any other company active in disinvestment process is also named in preliminary findings; and
- (g) if so, the action taken/proposed to be taken by the Government in this regard?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE DEPARTMENT OF DISINVESTMENT, MINISTER OF STATE IN MINISTRIES OF PLANNING, STATISTICS & PROGRAMME IMPLEMENTATION AND MINISTER OF STATE IN THE DEPARTMENT OF ADMINISTRATIVE REFORMS AND PUBLIC GRIEVANCES (SHRI ARUN SHOURIE)

(a) Yes, Sir.

(b) Yes, Sir.

(c) to (g) Guidelines have been issued on 13.7.2001 for the qualification of bidders seeking to acquire stakes in Public sector Undertakings (PSUs), through disinvestment. (Guidelines enclosed at Annexure 'A'). In the light of these guidelines, Advisors have been directed to verify whether any of the bidders attract the disqualification criteria. Disqualified Bidders will not be allowed to participate in any Disinvestment transaction.